

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING RECAP
OCTOBER 20, 2009**

DIRECTORS PRESENT

Matt Disston, Committee Chair
Glenn Acosta, Committee Member

STAFF PRESENT

Don Chadd, General Manager
Hector Ruiz, District Engineer
Sharon E. Smith, Secretary/Treasurer
Michael Perea, Special Projects Manager
Teresa Teichman, Assistant to the General Manager

PUBLIC PRESENT

No members of the public were present.

CALL MEETING TO ORDER

Committee Chair Disston called the October 20, 2009 Finance/Audit Committee Meeting to order at 7:08 a.m.

VISITOR PARTICIPATION

Public comments were announced. No comments were received.

ORAL COMMUNICATION

Oral communication was announced. No comments were received.

COMMITTEE MEMBER COMMENTS

There were no comments.

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REPORT FROM THE GENERAL MANAGER

No report was provided.

ACTION ITEMS

ITEM NO. 1) FINANCE/AUDIT COMMITTEE MEETING RECAP

The September 15, 2009 Finance/Audit Committee Meeting Recap was presented to the Committee. No changes were made to the Recap.

Recommendation: The Committee recommended that the September 15, 2009 Finance/Audit Committee Meeting Recap be received and filed by the Board. (Consent Calendar)

ITEM NO. 2) RATIFICATION OF DIRECTORS' FEES AND EXPENSES

The Committee reviewed this matter.

Recommendation: The Committee recommended that the Board ratify the Directors' expenses for August 2009 and fees for September 2009. (Consent Calendar)

ITEM NO. 3) REVIEW OF ARBITRAGE REBATE CALCULATION, 1994
SENIOR LIEN SERIES A AND JUNIOR LIEN SERIES B

Ms. Sharon Smith, District Treasurer, briefly reviewed this matter and stated that the rebate for the period is \$0.00.

Recommendation: The Committee recommended that the Board receive and file the Arbitrage Rebate Calculation for the period April 14, 1994 through September 30, 2009. (Consent Calendar)

ITEM NO. 4) PURCHASE OF COMPUTER HARDWARE AND SOFTWARE

Mr. Don Chadd, General Manager, introduced this item. Mr. Michael Perea, Special Projects Manager, provided an ACS System Upgrade Cost Analysis, stating that the potential on-going annual cost savings of \$11,728 will offset the one time hardware and software purchase price of \$32,641. The annual savings include a reduction in the monthly billing postal costs and maintenance agreement costs. A purchase order and service order module will be included which will reduce staff time.

Recommendation: The Committee recommended that the Board ratify the purchase of computer hardware and software from ACS Enterprise Solutions, Inc. (Action Calendar)

ITEM NO. 5) RATIFICATION OF UNIFORM CONTRACT

Mrs. Teresa Teichman, Assistant to the General Manager, reviewed the lack of quality service from the District's current uniform provider. She stated that Cintas Corporation will provide significantly higher quality garments and better service.

Recommendation: The Committee recommended that the Board ratify a uniform contract with Cintas Corporation. (Consent Calendar)

ITEM NO. 6) REVIEW OF CONFLICT OF INTEREST CODE

Ms. Sharon Smith, District Secretary/Treasurer, stated that the Clerk of the Board of Supervisors is requesting that agencies adopt the most current model Conflict of Interest Code to keep the code in conformity with the Political Reform Act. Board members will have the ability to complete their Forms 700 online. A brief discussion took place.

Recommendation: The Committee recommended that the Board adopt a Resolution Adopting a Conflict of Interest Code. (Action Calendar)

ITEM NO. 7) OTHER MATTERS

Mr. Chadd noted that a leak occurred at the valve cluster in the reclaimed water line located at the corner of Heritage Drive and Robinson Ranch Road. The District Engineer requested a proposal from CCL Contracting, Inc., the firm that installed the reclaimed line, to effect repairs. Traffic control is an issue at the location. If the CCL Contracting proposal is within the range of \$10,000 to \$12,000, the firm will be contracted to perform the repairs. If not, staff will effect repairs and contract for the traffic control.

ITEM NO. 8) TREASURER'S REPORT

ITEM NO. 8A) PRESENTATION OF SEPTEMBER 2009 PRELIMINARY
STATEMENT OF REVENUE AND EXPENSE

Ms. Smith stated that the revenues at September 30, 2009 are 25 percent collected. Domestic water sales are considerably higher than prior year due to warmer weather this year and the rate increase. Sanitation revenues decreased due to cash receipts timing issues. Reclaimed and recycled water sales also increased over prior year.

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Expenses are 22 percent of current budget. Board expenses are stable. Wages and benefits increased due mainly to the overtime expended in September due to issues at Irvine Lake. Auto and general insurance decreased. Water purchases and fixed charges decreased as did sanitation expenses.

Recommendation: The Committee recommended that the Board receive and file the September 30 2009 preliminary statement of revenue and expenses. (Consent Calendar)

3B) BILLS FOR CONSIDERATION

The bills for consideration were presented for the Committee's review.

Recommendation: The Committee recommended that the Board ratify payment of the October 20, 2009 bills for consideration in the amount of \$209,590.19, as presented. (Consent Calendar)

ADJOURNMENT

Committee Chair Disston adjourned the October 20, 2009 Finance/Audit Committee Meeting at 7:38 a.m.